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NRO REVIEW COMPLETED

12 JUL 1966

MEMORANDUM FOR: Distribution

SUBJECT: Initial Fund Allocation for FY 1967

1. Addressess have received informal working copies of the NRO initial program approvals. It is noted that the amounts approved are considerably less than Agency recommendations and the Presidential Budget approval. It is apparent that both the IDEALIST and OXCART Programs must be supplemented with additional funding during the course of the fiscal year. As of this date, the Comptroller, OSA, is allocating one third of the NRO initial approval column to the line items identified in [] Technical monitors may request the Contracts Division to act upon requirements and to obligate funds up to those amounts. Further allocations will be made after OSA has submitted a reclaimer and NRO has acted upon it.

2. Exceptions to this interim policy are as follows:

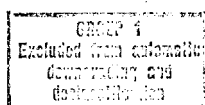
a. Obligations for OXCART airframes are authorized up to 50% of the amount approved by NRO, pending a definition of the scope of work. This is scheduled for early August.

b. Obligations for OXCART engine support are authorized up to [] pending program review scheduled in late July.

c. OXCART [] is authorized the full [] pending further review.

d. OXCART operations and maintenance is authorized the full NRO approval amount.

e. IDEALIST Lockheed service is authorized the full approval amount, pending rebuttal for additional funds.



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OXCART/IDEALIST

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f. Contract obligations that have been approved by Programs Staff and have been issued dependent upon availability of FY 67 funding, so long as that amount does not exceed the NRO approval.

3. With coordination of Programs Staff, Contracts Division may obligate up to the full approved amounts for [] R&D items.

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4. Contract monitors are urged to bring to the attention of Programs Staff any hardships which may result from the partial allocations at this time. Programs Staff will make every effort to insure definitization of the NRO approvals, and will allocate additional funds as soon as possible.

5. Both Materiel Division and Deputy for Technology are requested to submit to the Comptroller the names of persons directly responsible for monitoring each contract. General submissions such as "Materiel Division responsibility" are not acceptable; the individual contract monitors must be identified.

/s/
JOHN PARANGOSKY
Acting Director of Special Activities

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PS/OSA: [] (11 Jul 66)

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